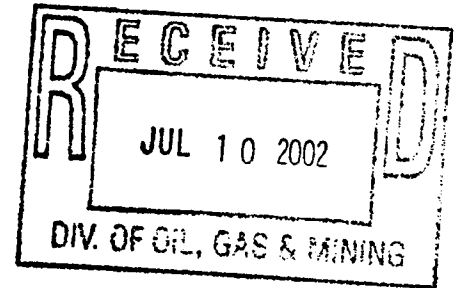


**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940



**RECLAMATION CONTRACT**  
---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)	<u>M/003/026</u>
(Mineral Mined)	<u>Quartzite</u>
"MINE LOCATION":	
(Name of Mine)	<u>Rosebud</u>
(Description)	<u>34 miles South West</u>
	<u>of Park Valley UT</u>
"DISTURBED AREA":	
(Disturbed Acres)	<u>9.5 Acres</u>
(Legal Description)	<u>(refer to Attachment "A")</u>
"OPERATOR":	
(Company or Name)	<u>Star Stone Quarries Inc.</u>
(Address)	<u>4040 South 300 West</u>
	<u>Salt Lake City, UT 84107</u>
(Phone)	<u>801-262-4300</u>

"OPERATOR'S REGISTERED AGENT":

(Name)

Lon Thomas

(Address)

4040 South 300 West

Salt Lake City, UT 84107

(Phone)

801-262-4300

"OPERATOR'S OFFICER(S)":

Lon Thomas President

"SURETY":

(Form of Surety - Attachment B)

Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Developers Surety and Indemnity Company  
Bond No. 1

"SURETY AMOUNT":

(Escalated Dollars)

\$68,700.00

"ESCALATION YEAR":

2004

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Star Stone Quarries Inc. the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/003/026 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.



NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated June 15, 2000, and the original Reclamation Plan dated June 15, 2000. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's



request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.



OPERATOR:

Star Stone Quarries Inc.

Operator Name

By Lon Thomas  
Authorized Officer (Typed or Printed)

President  
Authorized Officer - Position

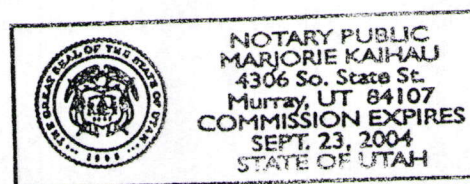
Lon Thomas  
Officer's Signature

6-17-02  
Date

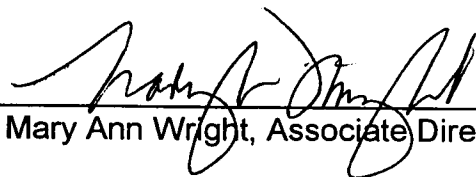
STATE OF Utah )  
COUNTY OF Salt Lake ) SS:

On the 17 day of June, 2002, Lon Thomas  
personally appeared before me, who being by me duly sworn did say that he/she is the  
President of Star Stone Quarries and duly  
acknowledged that said instrument was signed on behalf of said company by authority  
of its bylaws or a resolution of its board of directors and said Lon Thomas  
duly acknowledged to me that said company executed the same.

Marjorie Kaihau  
Notary Public  
Residing at Salt Lake County  
Sept 23, 2004  
My Commission Expires:



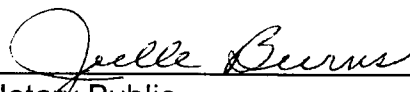
DIVISION OF OIL, GAS AND MINING:

By   
Mary Ann Wright, Associate Director

Date July 19, 2002

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 19<sup>th</sup> day of July, 2002 Mary Ann Wright  
personally appeared before me, who being duly sworn did say that she, the said Mary Ann Wright  
Mary Ann Wright is the Associate Director of the Division of Oil, Gas  
and Mining, Department of Natural Resources, State of Utah, and she duly acknowl-  
edged to me that she executed the foregoing document by authority of law on behalf of  
the State of Utah.

  
Notary Public  
Residing at: S.L.C. UT

4-4-2005  
My Commission Expires:





## ATTACHMENT "A"

Star Stone Quarries Inc.  
Operator

Rosebud  
Mine Name

M/003/026  
Permit Number

Box Elder County, Utah

### LEGAL DESCRIPTION

*Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.*

The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 9.5 acres under the approved permit and surety, as reflected on the attached map labeled Rosebud Quarry and dated July 19, 2002:

SW 1/4 NW 1/4 and the SE 1/4 SW 1/4 of  
Section 14, Township 10 North, Range 16 West,  
SLBM, Box Elder County, Utah.

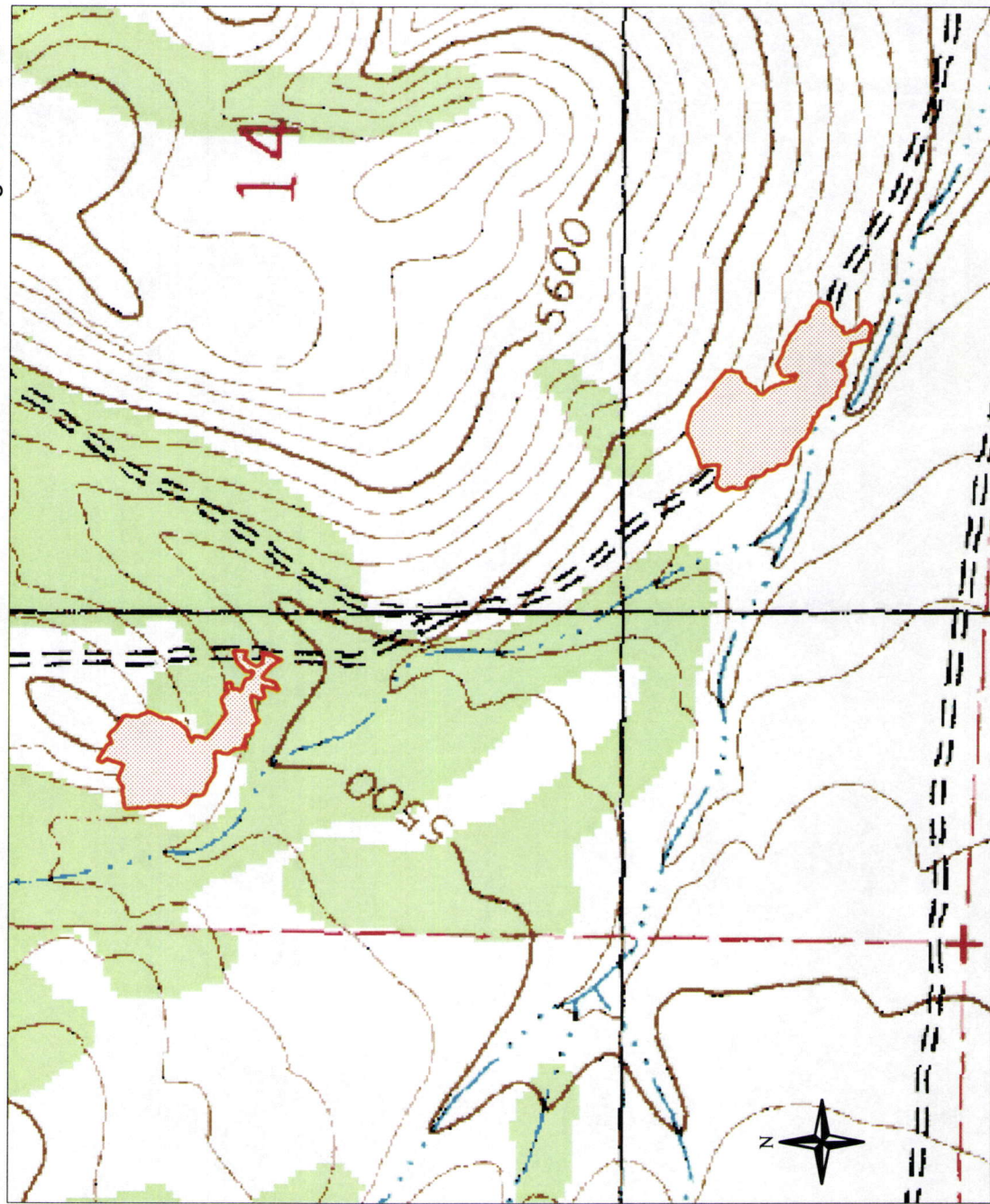


# Star Stone Quarries, Inc.

Rosebud Quarry

M/003/026

Emigrant Pass Quad



 Disturbed Area

SW/4 of the NW/4 and the  
SE/4 of the SW/4 of Section 14,  
Township 10 North, Range 16 West,  
SLBM, Box Elder County, Utah

This product may not meet DOGM Standards  
for accuracy and content. Different data  
sources and input scales may cause some  
misalignment of data layers.

Prepared 7-19-02 by DOGM



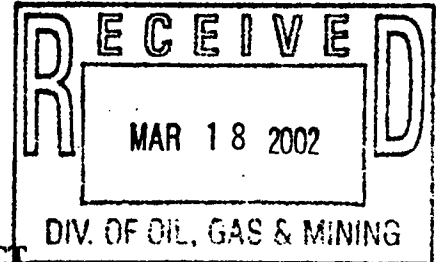
ATTACHMENT B

FORM MR-5  
January 19, 2000

Bond Number \_\_\_\_\_  
Permit Number M/003/026  
Mine Name Rosebud

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas and Mining  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
Fax: (801) 359-3940



THE MINED LAND RECLAMATION ACT

SURETY BOND

\*\*\*\*\*

The undersigned Star Stone Aqueries, Inc., as Principal, and Developers Surety and Indemnity Company, as Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly and severally, unto the State of Utah, Division of Oil, Gas and Mining (Division) in the penal sum of Sixty Eight Thousand Seven Hundred and NO/100 dollars (\$ 68,700.00).

Principal has estimated in the Mining and Reclamation Plan approved by the Division on the 25th day of January, 20 01, that 9.5 acres of land will be disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the Reclamation Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the

expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Star Stone Quarries, Inc.  
Principal (Permittee)

Lon Thomas  
By (Name typed):

President  
Title

Lon Thomas  
Signature

Beverly Thomas  
Witness

3-15-02  
Date

**Surety Company**

Developers Surety and Indemnity Company 1603 22nd Street #200  
Surety Company Name Street Address

Barbara M. Paske West Des Moines, IA 50266  
Surety Company Officer City, State, Zip

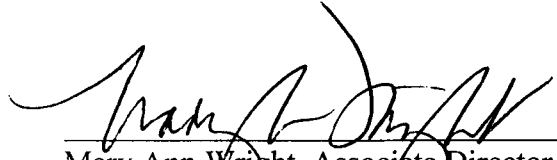
Attorney-in-Fact 515-267-9070  
Title/Position Phone Number

Barbara M Paske 3-7-02  
Signature Date



SO AGREED this 19<sup>th</sup> day of July, 20 02.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:


  
\_\_\_\_\_  
Mary Ann Wright, Associate Director  
Utah State Division of Oil, Gas and Mining

\*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

Bond Number \_\_\_\_\_  
Permit Number M/003/026  
Mine Name Rosebud

### AFFIDAVIT OF QUALIFICATION

On the 7th day of March, 20 02, Barbara M. Paske  
personally appeared before me, who being by me duly sworn did say that he/she, the said  
Barbara M. Paske is the Attorney-in-Fact of  
Developers Surety and Indemnity Company and duly acknowledged that said instrument was  
signed on behalf of said company by authority of its bylaws or a resolution of its board of  
directors and said Barbara M. Paske duly acknowledged to me that said  
company executed the same, and that he/she is duly authorized to execute and deliver the  
foregoing obligations; that said Surety is authorized to execute the same and has complied in all  
respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and  
obligations.

Signed:   
Surety Officer

Title: Attorney-in-Fact

STATE OF Oklahoma )  
 ) ss:  
COUNTY OF Oklahoma )

Subscribed and sworn to before me this 7th day of March, 20 02.



Notary Public  
Residing at: 5400 N. Grand Blvd., Suite 140  
Oklahoma City, OK 73112

My Commission Expires:

April 30, 20 03



**POWER OF ATTORNEY FOR  
DEVELOPERS SURETY AND INDEMNITY COMPANY  
INDEMNITY COMPANY OF CALIFORNIA**  
PO BOX 19725, IRVINE, CA 92623 • (949) 263-3300

KNOW ALL MEN BY THESE PRESENTS, that except as expressly limited, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, do each severally, but not jointly, hereby make, constitute and appoint:

**\*\*\*Altus E. Wilder, III, Tina E. Switzer, Andrew C. Allison, Barbara M. Paske, jointly or severally\*\*\***


as the true and lawful Attorney(s)-in-Fact, to make, execute, deliver and acknowledge, for and on behalf of said corporations as sureties, bonds, undertakings and contracts of suretyship giving and granting unto said Attorney(s)-in-Fact full power and authority to do and to perform every act necessary, requisite or proper to be done in connection therewith as each of said corporations could do, but reserving to each of said corporations full power of substitution and revocation, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.


This Power of Attorney is granted and is signed by facsimile under and by authority of the following resolutions adopted by the respective Board of Directors of DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, effective as of November 1, 2000:

RESOLVED, that the Chairman of the Board, the President and any Vice President of the corporation be, and that each of them hereby is, authorized to execute Powers of Attorney, qualifying the attorney(s) named in the Powers of Attorney to execute, on behalf of the corporations, bonds, undertakings and contracts of suretyship; and that the Secretary or any Assistant Secretary of the corporations be, and each of them hereby is, authorized to attest the execution of any such Power of Attorney;

RESOLVED, FURTHER, that the signatures of such officers may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures shall be valid and binding upon the corporation when so affixed and in the future with respect to any bond, undertaking or contract of suretyship to which it is attached.

IN WITNESS WHEREOF, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA have severally caused these presents to be signed by their respective Executive Vice President and attested by their respective Secretary this 8<sup>th</sup> day of November, 2000.

By:   
David H. Rhodes, Executive Vice President

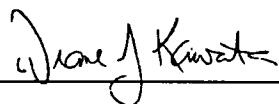
By:   
Walter A. Crowell, Secretary

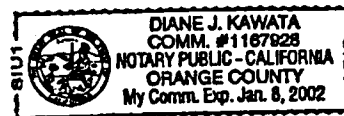


STATE OF CALIFORNIA                     )  
  )SS.  
COUNTY OF ORANGE                     )

On November 8, 2000, before me, Diane J. Kawata, personally appeared David H. Rhodes and Walter A. Crowell, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Signature 



**CERTIFICATE**

The undersigned, as Chief Operating Officer of DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, does hereby certify that the foregoing Power of Attorney remains in full force and has not been revoked, and furthermore, that the provisions of the resolutions of the respective Boards of Directors of said corporations set forth in the Power of Attorney, are in force as of the date of this Certificate.

This Certificate is executed in the City of Irvine, California, the 7th day of March, 2002.

By:   
David G. Lane, Chief Operating Officer